

Approved 9/26/19

Pursuant to written notice sent to Board Members and pursuant to notice posted at least forty-eight hours prior to the meeting, copies of said notice having been sent to the Secretary of the Commonwealth, William F. Gavin and the Secretary of the Executive Office of Administration and Finance, Michael Heffernan, the meeting of the Finance and Audit Committee of the Franklin Regional Transit Authority was held on April 24, 2019 at the John W. Olver Transit Center, 12 Olive St., Greenfield, MA 01301.

Finance Subcommittee Members present were:

<u>Name</u>	<u>Town</u>
Peter Otten	Buckland
Robert J. Decker III	Deerfield
Lance Fritz	Leyden

Also present were:

Tina Cote, FRTA Administrator, Michael Perreault, FRTA Assistant Administrator, and Ed Sanborn, FRTA Bookkeeper.

Peter Otten called the meeting to order at 10:00am.

1. REVIEW AND APPROVE MEETING MINUTES FROM MARCH 21, 2019:

Lance Fritz made a **motion** to approve the meeting minutes from March 21, 2019. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

2. REVIEW FY20 DRAFT BUDGET:

Tina Cote stated that the FY20 draft budget was put together with the assumption FRTA's share of the State Contract Assistance amount is based on the \$82 million figure proposed in the Governor's FY20 budget. Ed Sanborn continued the discussion presenting an additional sheet to help explain some of the expenses contained in the current year's budget that will be covered by either State or Federal capital grant funds (see attached). These are one-time costs related to capital projects that are for dollar values that are too small to depreciate so they are expensed.

Discussion continued with the line item relating to rent for the current maintenance facility. Ed Sanborn anticipated an increase in the facility rental for FY20. Tina Cote explained that the lease agreement for use of the facility expired at the end of March and

that FRTA is now a tenant at will and paying the same amount as indicated in the lease agreement on a month to month basis. FRTA has been in negotiations with GMTA to renew the lease but have not yet settled on a new agreement. Peter Otten asked if FRTA has a contingency plan if FRTA can not come to an agreement with new lease terms and would need to vacate the existing facility. Tina Cote explained that FRTA is exploring options but have no viable options at this point. Finding office space for management personnel and dispatchers would be fairly easy overall. The most difficult part is finding space to park 25-30 vehicles and finding a location to continue performing maintenance activities. A worse-case scenario would entail laying off the entire maintenance department. For now, FRTA is hopeful to continue paying rent on a month-to-month basis until a new agreement can be reached.

Tina Cote explained that the café tenant, Clinical Support Options, at the transit center have given their notice that they will be ceasing operations after June 30th. The line item for ITC café has been zeroed out for the FY20 budget. FRTA has started reaching out to local organizations to see if there is interest in operating a café in the transit center. Ed Sanborn further explained that Clinical Support Options brought their own clients in to work in the café teaching the job and job-training skills. Robert J. Decker III suggested FRTA reach out to the Collaborative for Educational Services about operating out of the café space. Their business includes similar training programs with kids and may be a good fit for them, similar to the current tenant. Tina Cote stated that part of the issue with finding a permanent tenant in the café may be because the space doesn't have a full kitchen. Peter Otten asked if FRTA could upgrade or renovate the space to make it into a full kitchen. Tina Cote believes that would be a difficult project and that there might not be enough space to outfit a full kitchen.

Tina Cote also discussed contractual increases with the First Transit management services contract and with union wages. The budget included increases with the COA demand response contracts to accommodate modest increases in costs for those programs as well. Tina Cote stated that FRTA is hopeful in obtaining state funding in FY20 to hire a consultant to perform a study for the demand response programs similar to the fixed route comprehensive service analysis study completed in 2015.

Lance Fritz asked why total revenues in sections for demand response and fixed route are lower in the draft FY20 budget than the estimated FY19 budget figures. Michael Perreault and Ed Sanborn explained that revenue projection for FY20 were made conservatively, essentially level funding fare revenues and reducing those line items related to grant funding based upon FY19 figures and estimates for FY20.

Michael Perreault added that FRTA has been awarded a discretionary grant for a pilot project for FY20, but revenues and expenses tied to that project have not been included in the FY20 budget. The Memorandum of Understanding between FRTA and MassDOT for the discretionary grant has not yet been finalized. FRTA is unsure of the exact grant amount and the timeline for spending the funds so that information is not included. Essentially, whatever is settled on for the final figure for grant revenue would have corresponding expenses and the budget will remain balanced.

Robert J. Decker III asked about the \$10,000 deductible for legal in FY19. Tina Cote explained that a former FTM employee had filed a discrimination suit against First Transit and FRTA.

There was discussion that once final figures for State Contract Assistance and Federal 5311 become available the Finance and Audit Committee could meet again to review and determine if the budget should be formally amended.

Lance Fritz made a **motion** to present the FY20 draft budget to the Advisory Board. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

3. **DISCUSSION OF ADMINISTRATOR'S FY20 SALARY:**

It was discussed that Tina Cote's current salary is \$100,693. Ed Sanborn explained that the FY20 draft budget included a 3% increase for FRTA staff salaries. Tina Cote added that she intends to increase salaries above 3% for some HST/Call Center staff that have taken on additional responsibilities over the past year. Peter Otten stated that if staff wage increases for FY20 were going to be around 2-3% then it makes sense for the Administrator's increase to be in line with those. Lance Fritz asked about the current COLA rate. There was discussion that the current rate was about 2.8%. There was discussion that the expense line item for Admin. Salaries and Wages is a total of all FRTA employees, including the Administrator. Lance Fritz made a **motion** to recommend to the Advisory Board to set the Administrator's salary at \$103,500 for FY20. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

4. **REVIEW OF FY20 CAPITAL PROJECTS LIST:**

Michael Perreault presented the list of capital projects for FY20. The list included funding for the ongoing design and construction of the new maintenance and operations facility, shop tools and equipment, tires and other capital maintenance items, and funding for roof replacement on the existing maintenance facility.

There was discussion that if there are any further budget changes between now and the Advisory Board meeting, the next Finance and Audit Committee could be scheduled for just prior to the Advisory Board meeting on May 16, 2019 at 3:30pm.

Robert J. Decker III made a **motion** to adjourn, Lance Fritz seconded, and the meeting was adjourned at 10:40am.